

STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

HENRY D. MCMASTER,  
in his official capacity as the  
SECURITIES COMMISSIONER FOR  
THE STATE OF SOUTH CAROLINA, )

Plaintiff, )

-vs- )

CAPITAL CONSORTIUM GROUP, INC.; )  
3 HEBREW BOYS, LLC; TONY POUGH; )  
TIM MCQUEEN; JOSEPH BRUNSON; )  
and FIRST CITIZENS BANK AND )  
TRUST COMPANY, INC., )

Defendants. )

IN THE COURT OF COMMON PLEAS  
FIFTH JUDICIAL CIRCUIT

**SUMMONS**

C/A No. 07-CP-40-000000

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C.C.C. & G. 11

**TO:** CAPITAL CONSORTIUM GROUP, INC.  
3 HEBREW BOYS, LLC  
TONY POUGH  
TIM MCQUEEN  
JOSEPH BRUNSON  
4039 Monticello Road, Suite F  
Columbia, SC 29203

FIRST CITIZENS BANK AND  
TRUST COMPANY, INC.  
1230 Main Street  
Columbia, SC 29202

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your Answer to the Complaint on the subscriber at his office Attorney General's Office, P. O. Box 11549, Columbia, South Carolina, 29211, within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, the Plaintiff in this action will apply to the Court for the relief demanded in the Complaint.

Tracy A. Meyers  
**TRACY A. MEYERS**

Assistant Attorney General  
P. O. Box 11549  
Columbia, SC 29211  
(803) 734-9916

May 21, 2007

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS  
FOR THE FIFTH JUDICIAL CIRCUIT

HENRY D. MCMASTER,  
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-vs-

CAPITAL CONSORTIUM GROUP, INC.;  
3 HEBREW BOYS, LLC; TONY POUGH;  
TIM MCQUEEN; JOSEPH BRUNSON;  
AND FIRST CITIZENS BANK AND  
TRUST COMPANY, INC.,  
Defendants.

COMPLAINT

07-CP-40-

03116

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BARTON, S. J. JR.  
C.C.C. & S.S.

FILED

The Plaintiff, Henry D. McMaster, in his official capacity as Securities Commissioner for the State of South Carolina ("Securities Commissioner"), complaining that Defendants Capital Consortium Group, Inc.; 3 Hebrew Boys, LLC; Tony Pough; Tim McQueen and Joseph Brunson (collectively the "Defendants") have engaged in acts, practices, and transactions which violate the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101 et seq. (Supp. 2006) (the "State Securities Act"), alleges the following:

#### PARTIES

1. 3 Hebrew Boys, LLC ("3 Hebrew Boys") is a South Carolina corporation based in Columbia, South Carolina. The company was incorporated on September 16, 2004. The company's registered agent is Tony Pough, 4039 Monticello Road, Suite F, Columbia, South Carolina 29203.
2. Capital Consortium Group, Inc. ("CCG") is a South Carolina corporation based in Columbia, South Carolina. The company was incorporated on September 16, 2004. The company's registered agent is S&F Family Trust, 3930 Broad River Road, Suite E-2, Columbia,

South Carolina 29210. The company's website ([www.3hebrewboys.net](http://www.3hebrewboys.net)) shows the corporate offices to be located at 4039 Monticello Road, Suite F, Columbia, South Carolina 29203.

3. Tony Pough ("Pough") is the registered agent for 3 Hebrew Boys.
4. Pough has a last known business address of 4039 Monticello Road, Suite F, Columbia, South Carolina 29703.
5. Tim McQueen ("McQueen") is a principal of 3 Hebrew Boys.
6. McQueen has a last known business address of 4039 Monticello Road, Suite F, Columbia, South Carolina 29703.
7. Joseph Brunson ("Brunson") is a principal of 3 Hebrew Boys.
8. Brunson has a last known business address of 4039 Monticello Road, Suite F, Columbia, South Carolina 29703.
9. First Citizens Bank and Trust Company, Inc. ("First Citizens") is a South Carolina corporation based in Columbia, South Carolina. First Citizens has a last known address business address of 1230 Main Street, Columbia, South Carolina 29202.
10. Plaintiff is the Securities Commissioner of the State of South Carolina and, as such, is administrator of the State Securities Act.

### **JURISDICTION**

11. Upon information and belief, Defendants are persons that are doing business in South Carolina by offering and selling "securities" "in and from South Carolina," as defined in the State Securities Act, S.C. Code Ann. §§35-1-102(29) and 35-1-610(c) (Supp. 2006).
12. This Court has jurisdiction over the parties and the subject matter of this action.
13. This action is properly brought in the Richland County Court of Common Pleas.
14. This civil action is brought pursuant to S.C. Code Ann. §35-1-603(a), which authorizes the Securities Commissioner to bring an action in the Richland County Court of

Common Pleas to enjoin violations of and enforce compliance with the State Securities Act.

### **VENUE**

15. Venue is proper in the Richland County Court of Common Pleas, Fifth Judicial Circuit.

### **ALLEGATIONS**

16. The securities being offered are being offered from the State of South Carolina to Carolina to residents in and from the States of North Carolina and South Carolina, as well as to residents of other States.

17. The securities being offered are offered to investors by CCG, 3 Hebrew Boys, Pough, McQueen and Brunson.

18. Multiple securities are presented to investors. Some of the securities presented involve the opportunity to:

- a. Invest a certain amount of money and then get a 10% monthly return on the money after 91 days.
- b. Pay a fee and have the mortgage on the investor's home paid off after 16 months.
- c. Pay a fee and have the investor's credit cards paid off after 12 months.
- d. Pay a fee and have the investor's car loan paid off after 12 months.

19. The opportunities being offered constitute "securities" under South Carolina law.

20. The securities being offered are required to be registered prior to their offer and sale in and from this State.

21. The securities being offered were not registered with the State Securities Division or other appropriate regulatory agencies before they were offered and sold from this State.

22. The persons offering the securities are required to be registered as broker-dealers and broker-dealer agents prior to the securities being offered and/or sold in and from this State.

23. The persons offering the securities were not registered as broker-dealers and broker-dealer agents with the State Securities Division or other appropriate regulatory agencies prior to the offer and sale of the securities in and from this State.

24. Monies raised through the offer and sale of the CCG investment securities in and from the State of South Carolina are, as of May 16, 2007, being deposited and/or transferred into the following South Carolina bank accounts:

<u>Institution</u>	<u>Account number</u>
First Citizens Bank	083125048501
First Citizens Bank	083125024601
First Citizens Bank	083125047701
First Citizens Bank	083125011301
First Citizens Bank	083125049301

25. At least one of the persons offering for sale the securities in and from this State, Tony Pough, has a prior criminal conviction for a financial crime.

26. Investors are not being told of Pough's criminal conviction prior to their decision to invest in CCG securities.

27. At seminars offered in and from this State, Defendants offer a variety of investments, each of which requires a potential investor to provide Defendants money up front and for which the investors are promised funds from the proceeds of the pooled investments to pay off the investor's mortgage(s), car loan(s), or credit card(s), or as a cash payout to the investor later.

28. Defendants make false statements at the seminars they hold to promote the securities.

29. Defendants tell potential investors at the seminars that CCG has its own traders and "the tool we use is foreign exchange." Defendants represent they can earn extraordinary returns of "2-500% per night" on investor money by depositing the money into foreign markets.

30. Defendants do not deposit investor money into foreign markets and do not earn "2-500% per night" on investor money placed with CCG.

31. CCG securities have been offered by Defendants to over five hundred (500) people during the period September 1, 2006 to May 16, 2007.

32. Over two hundred (200) investors have invested with CCG during the period September 1, 2006 to May 16, 2007.

## **CAUSES OF ACTION**

### **A. VIOLATION OF S.C. CODE § 35-1-301**

#### **(Registration Requirements in Connection with the Offer or Sale of Securities)**

33. CCG, 3 Hebrew Boys, Pough, McQueen and Brunson offered for sale and sold securities in and from this State which were not federal covered securities and were not registered under the State Securities Act, and for which no claim of exemption was made.

34. This conduct violated Section 35-1-301 of the State Securities Act.

### **B. VIOLATION OF S.C. CODE §§ 35-1-401 AND 35-1-402**

#### **(Broker-Dealer and Agent Registration in Connection with the Offer or Sale of Securities)**

35. CCG, 3 Hebrew Boys, Pough, McQueen and Brunson transacted securities business in and from South Carolina, when CCG, 3 Hebrew Boys, Pough, McQueen and Brunson were not registered as broker-dealers and/or as broker-dealer agents under the State Securities Act and when no claim of exemption from registration as a broker-dealer or as a broker-dealer agent was made.

36. This conduct violated Sections 35-1-401 and 35-1-402 of the State Securities Act.

### **C. VIOLATION OF S.C. CODE § 35-1-501**

#### **(Fraud in Connection with the Offer or Sale of Securities)**

37. In connection with the offer or sale of securities within or from South Carolina, CCG, 3 Hebrew Boys, Pough, McQueen and Brunson directly or indirectly (i) employed a

device, scheme, or artifice to defraud; (ii) made untrue statements of material facts or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engaged in acts, practices, or a course of business which operated as a fraud or deceit upon investors. CCG, 3 Hebrew Boys, Pough, McQueen and Brunson's conduct includes, but is not limited to, the following:

- a) CCG, 3 Hebrew Boys, Pough, McQueen and Brunson failed to disclose to investors in CCG that one of the principals of the group, Tony Pough, had a prior criminal conviction for a financial crime.
- b) CCG, 3 Hebrew Boys, Pough, McQueen and Brunson failed to disclose to investors in CCG that the funds investors placed with CCG were not invested in the manner Defendants represented the funds would be invested.
- c) CCG, 3 Hebrew Boys, Pough, McQueen and Brunson told investors in CCG that CCG had its own traders and that the investors' money would be deposited into "foreign exchange" to earn higher than average returns which would then be used to repay the investors.
- d) CCG, 3 Hebrew Boys, Pough, McQueen and Brunson failed to disclose to investors that they were not and could not earn the type of returns they were promising investors by investing in the manner they had told investors they would invest and that, instead, much of the investor funds were left in bank accounts or used to repay other investors as other investors' returns became due.

38. This conduct violated Section 35-1-501 of the State Securities Act.

#### **PRAYER FOR RELIEF**

WHEREFORE, the Securities Commissioner for the State of South Carolina, prays that the Court issue an Order granting the following relief:

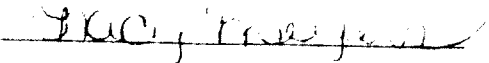
- A. Ordering Capital Consortium Group, Inc.; 3 Hebrew Boys, LLC; Tony Pough;

Tim McQueen and Joseph Brunson to permanently cease and desist from violating the State Securities Act;

- B. Appointing a receiver or conservator for the assets in the First Citizens Bank accounts;
- C. Ordering an accounting of the assets in the First Citizens Bank accounts;
- D. Ordering disgorgement by Defendants of ill-gotten gains obtained in connection with the offers and sales of securities to investors detailed in the Complaint;
- E. Imposing civil penalties on each Defendant in the amount of ten thousand (\$10,000.00) dollars per violation for each violation of the State Securities Act; and
- F. Providing for such other and further relief as may be just and proper, including but not limited to enjoining Defendants from liquidating, moving or otherwise disposing of any and all assets of the affected investors, wherever such assets may be situate, and/or permanent injunctive relief as may be directed by the court.

Respectfully submitted,

HENRY D. MCMASTER  
Securities Commissioner  
WARREN V. GANJEHSANI  
Assistant Attorney General  
TRACY A. MEYERS  
Assistant Attorney General  
Post Office Box 11549  
Columbia, South Carolina 29211  
(803) 734-4731

BY: 

May 21, 2007

ATTORNEYS FOR  
THE STATE OF SOUTH CAROLINA



STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS  
FOR THE FIFTH JUDICIAL CIRCUIT

HENRY D. MCMASTER,  
in his official capacity as the  
SECURITIES COMMISSIONER FOR  
THE STATE OF SOUTH CAROLINA,

Plaintiff,

-vs-

CAPITAL CONSORTIUM GROUP, INC.;  
3 HEBREW BOYS, LLC; TONY POUGH;  
TIM MCQUEEN; JOSEPH BRUNSON; and  
FIRST CITIZENS BANK AND TRUST  
COMPANY, INC.;

Defendants.

AFFIDAVIT OF  
ENFORCEMENT SPECIALIST  
ROBB MCBURNEY

07-CP-40- 3116

1. I, Robert McBurney, am an Enforcement Specialist with the South Carolina Attorney General's Office ("Office"), assigned to the Securities Division ("Securities Division"). I have been so employed for approximately four years, during which time I have conducted numerous investigations of various types of South Carolina Securities Act violations. This affidavit is based on my own personal knowledge and information I obtained in the ordinary course of my employment with the Securities Division. This affidavit is made in support of the South Carolina Securities Commissioner's Motion for a temporary restraining order enjoining Capital Consortium Group, Inc. ("CCG"); 3 Hebrew Boys, LLC ("3 Hebrew Boys"); Tony Pough ("Pough"); Tim McQueen ("McQueen"); and Joseph Brunson ("Brunson") (collectively, "Defendants") from moving or liquidating the following South Carolina bank accounts:

<u>Institution</u>	<u>Account number</u>	<u>Account Name</u>
First Citizens Bank	083125048501	Daniel Development Group LLC/ CCG Account

First Citizens Bank	083125024601	Daniel Development Group LLC
First Citizens Bank	083125047701	Daniel Development Group LLC/ CCG Conference Account
First Citizens Bank	083125011301	Daniel Development Group LLC
First Citizens Bank	083125049301	Daniel Development Group LLC/ Faith Ministry Account

2. In September 2006, our Office learned that a group of individuals from Columbia, South Carolina were holding seminars in the Fayetteville, North Carolina area at which investment opportunities were being offered. My initial investigation led me to believe the opportunities, as described at these seminars, would constitute securities under South Carolina law and I began to look into the groups allegedly making the offers, CCG, and an affiliated entity, 3 Hebrew Boys.
3. The South Carolina Secretary of State's Office's ("Secretary of State") records reflect that 3 Hebrew Boys and CCG are South Carolina corporations, and that the three organizers of 3 Hebrew Boys are Tony Bernard Pough of Columbia, Tim McQueen of Columbia, and Joseph Brunson of Hopkins, South Carolina. The Secretary of State's records further show that: (1) TMS Family Trust and Brunson Outreach are the organizers of CCG and that Faith Ministries is a manager of CCG; (2) the incorporator of Brunson Outreach is Isolde Brunson; and (3) the addresses of both 3 Hebrew Boys and CCG are 4039 Monticello Road, Suite F, Columbia, South Carolina, 29203 and 1013 Broad River Road, Suite 275, Columbia, South Carolina, 29210. The Broad River road address is a UPS store at which private owner mailboxes are available for rent.
4. My research into the opportunities being offered by CCG and 3 Hebrew Boys showed that they involved investors providing money to CCG and 3 Hebrew Boys and then, after a period of time and through no effort of the investor, receiving back returns.

5. Research into Tony Pough's background revealed that he pleaded guilty in the United States District Court, District of South Carolina, in September 1998 to embezzlement of federal funds that had been transferred to a state program. I further learned that some of the activity Pough was involved in that led to this conviction included his setting up bank accounts for the purpose of embezzling money.
6. The primary bank accounts under which 3 Hebrew Boys and CCG operated until April 2007 were located at Bank of America. There were six accounts, and Tony Pough, Joseph Brunson, and Tim McQueen were associated with all of them. The Bank of America accounts were closed in April 2007 following the Bank's request and its filing a "Suspicious Activity Report" on the accounts.
7. In March and April 2007, Pough and McQueen, on behalf of CCG and 3 Hebrew Boys, opened five bank accounts ("First Citizens Accounts" or "Accounts") at First Citizens Bank of South Carolina. The Accounts are in the name of Daniel Development Group, LLC, which is another entity controlled by Tony Pough. Some of the Accounts have notations identifying them as "CCG" or "Faith Ministry" accounts on the registration documents. First Citizens Bank wire and deposit records show that over eleven million (\$11,000,000.00) dollars have been transferred to the First Citizens Accounts from the Bank of America accounts in the limited time the Accounts have been open. Tony Pough and Tim McQueen are signatories on the Accounts. A review of the Accounts reflects that hundreds of cashier's checks totaling millions of dollars made out to Capital Consortium Group have been deposited into the Accounts in the past two months. Notations on the overwhelming majority of the checks identify them as most probably coming from investors in the CCG/3 Hebrew Boys opportunities.

8. Because initial indications were that the securities activities of CCG and 3 Hebrew Boys were occurring in and from North and South Carolina, securities and agent registration records in both states were checked. Reviews of the registration records of the South Carolina and North Carolina Securities Divisions turned up no records in either state. A check of South Carolina Securities Division records for agent registrations for Pough, McQueen, and Brunson also turned up negative. Sections 35-1-301 and 35-1-401 of the South Carolina Code of Laws provide the registration requirements for securities which are to be sold in and from this State and the requirements for the agents who sell them. Defendants appear to be violating the South Carolina Uniform Securities Act of 2005 (the "State Securities Act") by offering and selling securities to citizens of this and other states from within this State when neither the sales agents nor the securities are registered with the Securities Division.
9. According to information I obtained, Defendants offer a variety of investments allowing investors to invest a certain amount of money and later obtain funds from the proceeds of the pooled investments to pay off the investor's mortgage(s), car loan(s), or credit card(s), or as a cash payout to the investor.
10. I have learned that Defendants primarily solicit the investments in their products through seminars, and I am aware of the opportunities offered at the seminars. At one such seminar recently held in North Carolina, those in attendance were told that CCG had been "founded by three gentlemen from Columbia, South Carolina" and that "they call themselves the three Hebrew Boys."
11. My investigation had led me to conclude that various representations made by those conducting the aforementioned North Carolina seminar are false. For example, one presenter stated that CCG had its own traders and "the tool we use is foreign exchange."

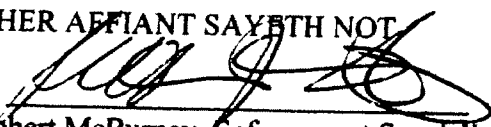
The presenter talked about CCG "depositing funds into foreign exchange" and said "in foreign exchange, they make 2-500% per night." Later, another presenter said that CCG was able to earn enough to pay for its debt payoff programs by "doing the foreign exchange thing." This presenter described a program to pay off credit card debt in which he represented that "if credit card debt is less than \$50,000, pay us a one time processing fee of \$5250 and in 13 months we will send you a check to pay off your credit cards." He described a signature/student loan program that he said worked that way as well. He said "for students in the 9<sup>th</sup> and 10<sup>th</sup> grades, the processing fee is \$2100, this fee must be left in place for 36 months, and then the student's college will be paid up to \$25,000 per year for up to four years of tuition only."

12. The Securities Division obtained records from the First Citizens Accounts. My review of the First Citizens Accounts indicates that no money appears to be invested in any type foreign currency or on any foreign exchange. No investment activity that would credit interest to the Accounts, outside of the normal bank interest credited to certain accounts, appears to be occurring in or from the Accounts. The interest being earned in the Accounts was not sufficient to generate the kind of returns necessary to pay investors the returns promised at the investment seminars.
13. My review of First Citizens Accounts also shows wire transfers to offshore accounts. Multiple transfers to the Bahamas are shown as occurring just since the first of May 2007, and these transfers so far total over a half a million dollars. These transfers appear to benefit an entity known as the "Alexander Development Group," which is not involved in foreign currency exchange.
14. Records from the First Citizens Accounts show that a check from one of the investors who attended the aforementioned North Carolina seminar, Investor "A," was deposited in

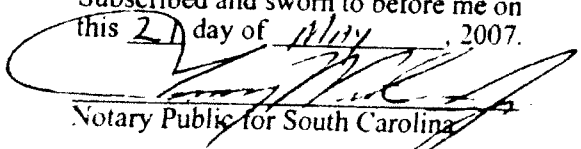
one of the First Citizens Accounts in April 2007. Investor A invested an amount in excess of fifty thousand dollars (\$50,000.00) in CCG. Upon investment, Investor A was assigned a member number and that number was noted on the face of his investment check.

15. Virtually all of the other deposits of checks into the First Citizens Accounts were cashier's checks or money orders, and the items were made out to "Capital Consortium Group," all as instructed at the seminars. Virtually all of these cashier's checks and money orders have account numbers identified on the face of the instrument similar to the account number noted on the face of Investor A's check. Further, a few of the money orders note they are for "Investment." Based on my investigation, the foregoing notations are consistent with CCG's agents' practice of regularly placing an application number on each cashier's check based on the investment forms filled out by the investor.
16. Our Office has information indicating First Citizens Bank officials plan to move to close Defendants' recently-opened Accounts.
17. Unless judicial intervention occurs, Defendants will be able to move or liquidate the Accounts and deprive the investors of any adequate means to recover their funds.

FURTHER AFFIANT SAYETH NOT

  
Robert McBurney, Enforcement Specialist  
South Carolina Office of the Attorney General  
Securities Division

Subscribed and sworn to before me on  
this 21 day of July, 2007.

  
Notary Public for South Carolina

My commission expires: 2 Nov 2008

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS  
FOR THE FIFTH JUDICIAL CIRCUIT

HENRY D. MCMASTER,  
in his official capacity as the  
SECURITIES COMMISSIONER FOR  
THE STATE OF SOUTH CAROLINA,

AFFIDAVIT OF  
INVESTIGATOR RON KING

Plaintiff,

-vs-

CAPITAL CONSORTIUM GROUP, INC.;  
3 HEBREW BOYS, LLC; TONY POUGH;  
TIM MCQUEEN; JOSEPH BRUNSON; and  
FIRST CITIZENS BANK AND TRUST  
COMPANY, INC.,

Defendants.

07-C2-40-3116

1. This affidavit is made in support of the request of the South Carolina Securities Commissioner for a temporary restraining order for certain bank accounts located in South Carolina controlled by the above referenced Defendants. A list of such accounts is attached as Exhibit 1 to this affidavit.
2. My credentials are as follows: I have been employed with the North Carolina Securities Division (the "Securities Division") for approximately one year. Since joining the Securities Division I have received training in securities investigations from the North Carolina Justice Academy and the North American Securities Administrators Association. Prior to joining the Securities Division I was employed in the financial services industry for twenty-five (25) years and was a Registered Representative for twelve (12) years. I held securities related positions as an Investment Advisor, Branch Manager, Regional Director, and Managing Partner. I held National Association of Securities Dealers

Series 7, 9, 10, 24, 63 and 66 securities licenses as well as various insurance licenses.

3. Based on my experience as a securities professional and a trained investigator, it is believed that the above referenced Defendants are operating a Ponzi scheme in the Fayetteville, North Carolina area and that monies resulting from the scheme are now being deposited into the bank accounts the South Carolina Securities Commissioner seeks to restrain.
4. The operation appears to be ongoing and expanding, with meetings as recently as February 24, 2007, March 15, 2007, and April 28, 2007. The February 24<sup>th</sup> meeting was reportedly held at the Providence Place Conference Center in Highpoint, North Carolina. The March 15<sup>th</sup> Meeting was held at Noland's Faith Chapel Church and the April 28, 2007 meeting at Parks Chapel Freewill Baptist Church, both in Fayetteville, North Carolina.
5. Meetings have reportedly ranged from meetings held in individual homes attended by 20 - 25 people to those held at conference centers attended by 200- 250 people.
6. For overview purposes, the opportunity appears to be one where the principals solicit funds, which are then to be invested in "foreign currency" or "sent overseas" to generate returns to the investors. Access to the opportunity is restricted to those individuals invited by current participants.
7. Some of the persons and entities involved in the operation include:



**3 Hebrew Boys, LLC ("3 Hebrew Boys")**, a South Carolina Limited Liability Corporation based in Columbia, South Carolina. The company was incorporated on September 16, 2004. Its registered agent is Tony Pough, 4039 Monticello Road, Suite F, Columbia, South Carolina 29203.

**Capital Consortium Group, Inc. ("CCG")**, a South Carolina corporation based in Columbia, South Carolina. CCG was incorporated on September 16, 2004. CCG's registered agent is S & F Family Trust, 3930 Broad River Road, Suite E-2, Columbia, South Carolina 29210. The company's website ([www.3hebrewboys.net](http://www.3hebrewboys.net)) shows the corporate offices to be located at 4039 Monticello Rd, Suite F, Columbia, South Carolina 29203.

**Tony Pough ("Pough")**: (Principal) Pough is the registered agent for 3 Hebrew Boys. Information has been obtained that indicates Pough has a prior criminal conviction for a financial crime.

**Tim McQueen ("McQueen")**: (Principal) McQueen was identified as a principal of 3 Hebrew Boys in a letter sent to the South Carolina Securities Division in response to an inquiry that the South Carolina Securities Division was conducting into the organization's activities.

**Joseph Brunson ("Brunson")**: (Principal) Brunson was identified as a principal of 3 Hebrew Boys in a letter sent to the South Carolina Securities Division in response to an inquiry that the South Carolina Securities Division was conducting into the organization's activities.

8. Other persons not named herein have been identified as being actively involved in soliciting individuals to attend the presentations offered by CCG in Fayetteville and other North Carolina cities.

9. In the fall of 2006, the Securities Division received a call from an individual who wished to remain anonymous. For the purpose of this affidavit she will be referred to as Citizen-Informant #1 (CI#1). CI#1 indicated that she had been invited to attend a meeting in Fayetteville, North Carolina by a friend. The friend had told CI#1 that the friend had invested with 3HebrewBoys.com and Capital Consortium Group and was inviting her to attend and possibly invest as well. According to CI#1 access to the meeting is only by invitation of a current "member". CI#1 had been told by her friend that 3 Hebrew Boys helped individuals obtain financial security. CI#1 was told if she invested that she would receive 10% interest monthly for the rest of her life starting after six months. CI#1 was also told that if you give CCG a small amount of cash and information on your auto or home you will receive clear title to the car or home after one year. According to CI#1, CCG meetings were held at the Holiday Inn - Bordeaux in Fayetteville, NC. CI#1 stated that several people have invested in the Fayetteville area.
10. CI#1 felt that the claims being made were unlikely to be achieved so she spoke to another person who suggested they contact the Securities and Exchange Commission ("SEC"). The SEC advised them that the program was probably not legal and referred them to the Securities Division. CI#1 was reluctant to get involved but eventually agreed to give me a contact number.
11. A review of records maintained by the Securities Division revealed no record of any registration filings by CCG or 3 Hebrew Boys to allow securities issued by them to be validly sold in North Carolina. Furthermore, no notice

filing or claim of exemption from the registration requirement of the statute has been received by the Securities Division.

12. The Central Registration Depository (hereinafter, "CRD") is a database maintained by the National Association of Securities Dealers ("NASD"). The CRD, through agreements between the various states and the NASD, is the primary database concerning state registration status of broker-dealer firms and securities salesmen. A review of CRD records reveals no registrations for CCG, 3 Hebrew Boys, or Tony Pough. Although there are registrations within the CRD records for individuals named Joseph Brunson and Tim McQueen, the individuals found therein have different information (date of birth, social security number) than the identifiers for the individuals associated with CCG.
13. A review of North Carolina Corporation records revealed no corporate filings by CCG or 3 Hebrew Boys.
14. In late fall 2006 CI#1 called and left a message for this affiant or another named agent with the Securities Division to call. The named agent contacted CI#1. CI#1 reported she had been informed that they (3 Hebrew Boys) were apparently going to stop or limit the use of hotels for meetings and would instead hold meetings in individual homes.
15. CI#1 identified a person as someone who was holding meetings in their home. This same person has been since identified by other persons as hosting multiple meetings in the person's home.

16. On 10/19/2006 myself and another agent with the Securities Division visited the hotel which had been identified as hosting many of CCG's meetings. Hotel records revealed that CCG reserved meeting rooms and held meetings there on March 18<sup>th</sup>, June 3<sup>rd</sup>, July 13<sup>th</sup>, August 10<sup>th</sup>, September 17<sup>th</sup> and October 17<sup>th</sup>, 2006. Hotel records revealed that banquet rooms were reserved for all meetings. The rooms were set up theatre style for either 100 or 300 persons and on each occasion for a small group of five individuals one hour beforehand. The hotel also provided a screen and microphones for each meeting. It is the affiant's belief, based on the investigation to date and hotel records, that three of the individuals attending the pre meeting were Tim McQueen, Joseph Brunson, Tony Pough.
17. Hotel personnel identified the primary contact person for CCG who was responsible for reserving the meeting rooms. The same personnel informed us that the opportunity had been presented to her but sounded to her to be too good to be true. According to this person, if you gave CCG "x" dollars, CCG invested in foreign currency, earning great returns to pay off your house, cars, or other things (like credit cards, etc.) in approximately 11 months. The same person stated that at CCG's last meeting at the hotel "up to 300 people were in line to get in." This description of the program is consistent with the information provided by CI#1.
18. More information about the program was obtained by witness AA. Prior to speaking with this agent, witness AA had attended a presentation by CCG in Greensboro, North Carolina. The meeting, which was held in the fall of 2006,

ran from approximately 11:30 AM to about 4:00 PM. Witness AA estimated that approximately 200-250 people attended.

19. On January 24, 2007 witness AA visited the Securities Division's office and was interviewed by Investigator King and Special Agent Pruett. Witness AA stated that he had attended the meeting in Greensboro with at least one person who had already invested.

20. The program witness AA attended was presented by three individuals calling themselves Hebrew 1 (later referred to during the presentation as Tony), Hebrew 2 (later referred to during the presentation as Tim), and Hebrew 3 (later referred to during the presentation as Joe). Each presented a different part of the program. Witness AA stated that they had presented four different programs. A portion of the program was presented via a powerpoint presentation. Witness AA summarized the programs as follows:

Money      Invest x dollars, get 10% monthly return after 91 days.

Mortgage      pay a fee, after 16 months home is paid off.

Car      pay a fee, after 12 months car is paid off.

Credit Card pay a fee, after 12 months card is paid off.

21. Witness AA provided the Division with a folder containing information given to him at the meeting and a list of articles that the presenters encouraged the attendees to read.

22. Meetings that were reported to occur in 2007 also have been investigated by the Division. After being informed of

meetings, Division agents have verified such meetings did occur at the time and location stated.

23. Division agents have interviewed other persons present at meetings in 2007. Such persons have verified the manner in which the opportunities are presented and have also identified persons they have been told are investors. Based on the information provided, the operation appears to be as large as initially reported to the Division.
24. Information developed through persons who have attended meetings and through investors indicates the operation's reach in North Carolina to be broad and that one focus of the operation may be military personnel and another focus is church congregations. Secrecy agreements are used to keep investors (who are called "members") from speaking with authorities and others about the programs.
25. Other witnesses and investors have also come forward. These persons describe the opportunities offered in the same general terms as the witnesses described above.
26. Information received by the South Carolina Securities Division via bank subpoena reveals certain North Carolina investor funds are being deposited to accounts at the First Citizen's Bank headquartered in Columbia, South Carolina.
27. Based upon the investigation to date, it appears that CCG is offering, through its agents, numerous investment "programs," each of which involves the investment of funds, in a common enterprise, with the expectation of profits to be derived by the efforts of another, and that none of the

programs have been registered with the Securities Division  
for sale in the State of North Carolina.

FURTHER AFFIANT SAYETH NOT>

Ronald R. King

Ronald King, Securities Investigator  
North Carolina Department of the Secretary of State  
Securities Division

Subscribed and sworn to before me on  
this 11<sup>th</sup> day of May, 2007.

Dwight L. Bennett

Notary Public for North Carolina

My commission expires: July 17, 2011

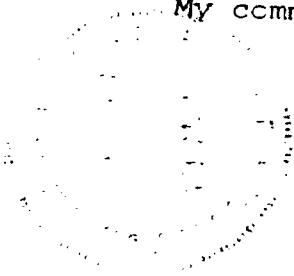


EXHIBIT 1

1. Account 083125048501 located at the First Citizens Bank, 1230 Main Street, Columbia, South Carolina 29202.
2. Account 083125049301 located at the First Citizens Bank, 1230 Main Street, Columbia, South Carolina 29202.
3. Account 083125024601 located at the First Citizens Bank, 1230 Main Street, Columbia, South Carolina 29202.
4. Account 083125011301 located at the First Citizens Bank, 1230 Main Street, Columbia, South Carolina 29202.
5. Account 083125047701 located at the First Citizens Bank, 1230 Main Street, Columbia, South Carolina 29202.